

**Michael E. Striby, Clerk**

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**Civil Action No.** \_\_\_\_\_

### **The Parties**

2. Plaintiff Clontech Laboratories, Inc. ("Clontech") is a corporation organized under the laws of the state of Delaware and having its principal place of business at 1020 East Meadow Circle, Palo Alto, California, 94303.

3. On information and belief, Defendant BCM Technologies, Inc. is a corporation organized under the laws of the state of Delaware and having its principal place of business at 1709 Dryden Road, Suite 900, Houston, Texas 77030 ("BCMT").

4. On information and belief, Defendant Baylor College of Medicine is a nonprofit corporation organized and existing under the laws of the State of Texas and having a principal place of business at One Baylor Plaza, Houston, Texas 77030 ("Baylor").

### **Venue and Personal Jurisdiction**

5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b)-(c). Defendant Baylor, a Texas nonprofit corporation and Defendant BCMT, a corporation having its principal place of business in Houston, Texas, have accused Plaintiff of using its patented technology and threatened to sue Plaintiff, a Delaware corporation doing business in the State of Texas, for patent infringement. Venue for such a suit is proper in this district and in Texas given that both corporate Defendants reside therein.

### **The Patent-in-Suit**

6. On information and belief, Baylor is the assignee of United States Patent No. 5,851,808 to Stephen J. Elledge and Qinghua Liu, entitled RAPID SUBCLONING USING SITE-SPECIFIC RECOMBINATION, and which issued on December 22, 1998 ("the '808 patent"). (A copy of the '808 patent is appended hereto as Exhibit A).

### **Case or Controversy**

7. An immediate, real, and justiciable controversy exists between the parties to this action. As set forth in paragraphs 8-19 below, Baylor and BCMT have threatened Clontech in a manner which has caused Clontech to have a reasonable apprehension that the Defendants will sue Clontech for the alleged infringement of the '808 patent through its past offerings for sale and continuing sales of its Creator™ products and products which depend upon or include the Creator™ technology.

8. In April of 1998, Plaintiff Clontech entered into licensing negotiations with Baylor with respect to certain technology covered by the '808 patent ("the Elledge technology"). As part of those negotiations, it was necessary for Clontech to receive various materials and information from Baylor and BCMT.

9. Clontech agreed to use any information and/or materials it received from BCMT for purposes of evaluating its possible scientific and technical merits and its possible commercial potential.

10. Between July 1998 and December 1998, Clontech and Baylor unsuccessfully attempted to negotiate terms for a license to the technology covered by the '808 patent.

11. On December 17, 1998, Baylor informed Clontech that the technology covered by the '808 patent would be licensed to another company and not to Clontech. (The '808 patent then issued on December 22, 1998).

12. Clontech, upon receiving notice from Baylor that they would not be granted a license to the '808 patent's technology, continued its prior efforts towards the independent development of its own proprietary rapid subcloning technology. These efforts resulted in the development of a novel methodology which Clontech commercialized as its Creator™ products and technology. Clontech's developmental efforts did not incorporate or otherwise include any information or materials received from Baylor and/or BCMT.

13. In 1999, as a result of its independent development efforts, Clontech commercially launched its Creator™ system for rapid subcloning of DNA. Clontech has also filed a U.S. Patent Application directed to this proprietary version of rapid subcloning technology. Clontech's developmental work and the achievement of the novel and proprietary Creator™ product(s) was accomplished independently of any information or materials received from Baylor and/or BCMT.

14. On or about December 5, 2001, Baylor and BCMT filed a Texas state court action in the 133<sup>rd</sup> Judicial District Court of Harris County, Texas, Cause No. 2001-61352 ("the State Action"), against Clontech for various causes of action which are factually and legally intertwined with the allegations of this Complaint. The State Action allegations include breach of contract, misappropriation of trade secrets, statutory theft of trade secrets, breach of fiduciary relationship and conversion. (A copy of the Petition is attached hereto as Exhibit B).

15. In the State Action, Baylor has alleged that certain biological materials, including specific plasmids and cell lines (which Baylor defined therein as the “Elledge trade secrets”), were employed by Clontech in the development of Clontech’s Creator™ technology.

16. Baylor and BCMT have specifically alleged that: “Clontech’s Creator system is based upon and makes use of the Elledge trade secrets, including Elledge technology, and will continue to use the trade secrets, including the Elledge technology, thereby causing irreparable harm to Baylor and BCMT.” (Exhibit B at ¶ 16).

17. Baylor and BCMT have alleged the Elledge technology is covered by the ’808 patent and that Clontech has made use of and continues to use the Elledge technology. As such, Baylor and BCMT have accused Clontech of infringing the ’808 patent.

18. In its Prayer for Relief in the State Action, Baylor and BCMT seek several forms of relief which are normally available under the federal patent laws of Title 35 of the United States Code and the applicable Federal Circuit precedent. Such forms of relief include injunction, attorneys’ fees, and actual and treble damages as specified in the federal patent laws at 35 U.S.C. §§ 283-285. (*Cf.* Exhibit B at pp. 9-11).

19. Further, representatives of Baylor have publicly stated that Baylor intends to sue Clontech for infringement of the ’808 patent.

20. As demonstrated in the foregoing paragraphs, Clontech has a reasonable apprehension that, as demonstrated by and in addition to the State Action, it will be sued for patent infringement by Baylor and BCMT based upon its marketing and sales of its proprietary Creator™ products. Hence, an immediate, real, and justiciable controversy exists between the parties which gives rise to this declaratory judgment action.

### **Allegation of Non-Infringement**

21. Clontech incorporates by reference the specific allegations of paragraphs 1-20.
22. Clontech has not infringed, and does not infringe, any valid claim of the '808 patent.
23. Clontech neither used the Elledge information or materials in its Creator™ technology nor did it base its Creator™ technology on any materials or information it received from Baylor or BCMT.
24. The development of Clontech's Creator™ technology was entirely independent of Clontech's interaction with Baylor and without any benefit of the Elledge information, technology or materials, and the Creator™ products do not fall within the scope of any of the '808 patent claims.

### **Allegation of Invalidity**

25. Clontech incorporates by reference the specific allegations of paragraphs 1-24.
26. On information and belief, the claims of the '808 patent are invalid under the patent laws of the United States, as codified in Title 35 of the United States Code including, but not limited to, §§ 102, 103 and 112.
27. On information and belief, the claims of the '808 patent are invalid under 35 U.S.C. § 112, ¶ 1 for, *inter alia*, failure to comply with the best mode requirement. Baylor and BCMT have admitted that it maintains information concerning the Elledge technology as a trade secret thereby violating its obligations under 35 U.S.C. § 112, ¶ 1.

28. On information and belief, the claims of the '808 patent are invalid as anticipated, derived from and/or obvious under 35 U.S.C. § 102/103 over the prior art.

**Request for Relief**

29. Clontech respectfully requests:
- a. a judgment declaring that Plaintiff has not infringed, and is not presently infringing, the '808 patent;
  - b. a judgment declaring that the claims of the '808 patent are invalid;
  - c. a judgment awarding its attorney fees pursuant to 35 U.S.C. § 285;
  - d. a judgment awarding its costs (Fed. R. Civ. P. 54(d)); and
  - e. any other relief the Court may deem appropriate under the circumstances.

Dated: January 4, 2002.

Respectfully submitted,

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